

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL  
COLUMBIA, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2006**

# *State of South Carolina*



## *Office of the State Auditor*

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

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August 30, 2006

The Honorable Grady L. Patterson, Jr.  
State Treasurer  
State of South Carolina  
Columbia, South Carolina

This report on the audit of the financial statements of the South Carolina Local Government Investment Pool for the fiscal year ended June 30, 2006 was issued by Rogers & Laban, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/cwc

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL**

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## INDEPENDENT AUDITOR'S REPORT

Mr. Richard H. Gilbert, Jr., CPA,  
Deputy State Auditor  
State of South Carolina  
Columbia, South Carolina

We have audited the accompanying financial statements of the South Carolina State Treasurer's Office South Carolina Local Government Investment Pool ("the Pool"), an investment trust fund of the State of South Carolina, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of Pool's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements referred to above include only the financial activities of the Pool, an investment trust fund of the State of South Carolina, and do not purport to and do not, present fairly the financial position and results of operations of the State Treasurer's Office, the State of South Carolina or other agencies or component units of the State of South Carolina in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Pool as of June 30, 2006, and its changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2006, on our consideration of Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 5 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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1st Global Insurance Services, Inc.*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of net assets in pool participants' accounts is presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule had been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Rogers & Lalan, PA*

August 21, 2006

## Management's Discussion and Analysis

The South Carolina Local Government Investment Pool (the Pool) is an investment option for local governments provided by the State Treasurer's Office as required by statute. The Pool invests in fixed income securities as provided in statute and is managed in a manner to maximize the return while providing the needed liquidity of the participants. A fixed rate option is also available. The attached financial statements present the financial "snapshot" of the Local Government Investment Pool. The Statement of Net Assets presents information on the Pool's assets and liabilities at June 30, 2006 with the difference between the two reported as net assets. The statement of changes in net assets restricted for pool participants during the period from July 1, 2005 to June 30, 2006 presents information showing how the Pool's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

### Financial Analysis

*Table 1: Summary Statement of Fiduciary Net Assets*

	June 30 2006	June 30, 2005	Difference
Cash and Investments	\$2,160,797,817	\$ 2,432,111,953	\$ (271,314,136)
Interest receivable	\$ 5,238,231	\$ 4,374,483	\$ 863,748
Total assets	\$ 2,166,036,048	\$ 2,436,486,436	\$ (270,450,388)
Collateral for loaned securities	\$ 191,135,742	\$ 566,374,027	\$ (375,238,285)
Accrued expenses	\$ 816,844	\$ 1,552,900	\$ (736,056)
Total liabilities	\$ 191,952,586	\$ 567,926,927	\$ (375,974,341)
Total net assets	\$1,974,083,462	\$ 1,868,559,509	\$ 105,523,953

The Statement of Assets shows that the assets of the Pool are the cash and investments made by the State Treasurer as custodian of the Pool plus accrued income receivable on those investments at June 30, 2006. The decrease in Total Assets for this year compared to FY05 is due to a smaller number of securities out on loan. The market conditions that existed during the year reduced the demand for these securities.

The liabilities of the fund consist primarily of collateral held for loaned securities that are due back to the borrower under securities lending transactions. As discussed above, given the market environment that existed, this was greatly reduced from last fiscal year. The net assets of the Pool are held for the pool participant's and are divided into amount distributed to participant's accounts and undistributed amounts.

The undistributed portion of net assets is primarily a statutorily permitted reserve for contingencies. The current reserve for contingencies is well below the allowable cap of 1% of fund assets.

*Table 2: Summary Statement of Changes in Fiduciary Net Assets*

	June 30, 2006	June 30, 2005	Differences
Investment Income	\$ 81,367,274	\$ 47,757,729	\$ 33,609,545
Expenses	\$ (109,854)	\$ (78,379)	\$ (31,475)
Other additions and participant activity	\$ 24,266,533	\$ (206,796,681)	\$ 231,063,214
Change in Net Assets	\$ 105,523,953	\$ (159,117,331)	\$ 264,641,284
Net Assets – Beginning of Year	\$ 1,868,559,509	\$ 2,027,676,840	\$ (159,117,331)
Net Assets – End of Year	\$ 1,974,083,462	\$ 1,868,559,509	\$ 105,523,953

The average investment rate improved dramatically from 2.00% in FY05 to 4.19% for FY06. For this fiscal year, the Pool outperformed its benchmark, the 90 day Treasury Bills, which returned 4.14%. The pool earned \$33,609,545 more than the prior fiscal year due to the improved interest rate environment and higher balances. During FY 06 there were more deposits to the pool than withdraws whereas, the reverse was the case in FY 05. The table below provides the investment return rates for the current and prior years by month.

	<u>FY 04-05</u>	<u>FY 05-06</u>
July	1.41	3.15
August	1.51	3.43
September	1.54	3.68
October	1.54	3.78
November	1.58	3.96
December	1.73	4.13
January	1.89	4.31
February	2.22	4.62
March	2.26	4.54
April	2.53	4.77
May	2.71	4.86
June	3.04	5.10
<i>Average</i>	<i>2.00</i>	<i>4.19</i>

While earning this higher rate, the funds remain available for withdrawal on a 24 hour notice.

The expenses of the Pool are limited to the actual expenses incurred by the State Treasurer's Office to operate the Pool, which by law must be offered at no cost to the State.

At June 30, 2006 there were 519 participating accounts in the pool as compared to 509 at the previous year-end.

### **Contacting the Pool**

Persons needing additional information concerning this report may do so by writing or telephoning Shakun Tahiliani, Assistant State Treasurer, State of South Carolina, P.O. Box 11778, Columbia, South Carolina 29211; telephone (803) 734-2641; facsimile (803) 734-2039; e-mail [tahis@sto.state.sc.us](mailto:tahis@sto.state.sc.us).

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2006**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,295,316,084
Invested securities lending collateral	191,135,742
Accrued interest receivable	5,238,231
Investments, at fair value	<u>674,345,991</u>
Total assets	<u>2,166,036,048</u>
<b>LIABILITIES</b>	
Collateral for loaned securities	191,135,742
Other accrued liabilities	<u>816,844</u>
Total liabilities	<u>191,952,586</u>
<b>NET ASSETS</b>	
Restricted for pool participants' accounts	1,964,615,714
Restricted for pool participants - undistributed	<u>9,467,748</u>
Total net assets	<u><u>\$ 1,974,083,462</u></u>

See accompanying Notes to Financial Statements.

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
YEAR ENDED JUNE 30, 2006**

**ADDITIONS:**

Investment income	\$ 80,647,031
Securities lending income	12,769,359
Less securities lending expense	<u>(12,049,116)</u>
Net securities lending income	<u>720,243</u>
Total revenue	81,367,274

**DEDUCTIONS:**

Administrative expenses	<u>109,854</u>
Net increase in net assets resulting from operations	<u>81,257,420</u>

**DISTRIBUTIONS TO PARTICIPANTS**

(81,983,463)

**PARTICIPANTS TRANSACTIONS:**

Deposits	5,222,280,389
Less withdrawals	<u>(5,116,030,393)</u>
Net increase in net assets resulting from participant transactions	<u>106,249,996</u>
Total increase in net assets	105,523,953

**NET ASSETS:**

Beginning of year	<u>1,868,559,509</u>
End of year	<u><u>\$ 1,974,083,462</u></u>

See accompanying Notes to Financial Statements.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Reporting Entity**

The South Carolina State Treasurer's Office (Treasurer's Office) is an agency of the State of South Carolina established by Article III, Section 7 of the Constitution of South Carolina. Pursuant to Section 6-6-10 of the State of South Carolina Code of Laws, the State Treasurer established, in May 1983, the South Carolina Local Government Investment Pool (the Pool), an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or the governing body of any municipality, county, school district, regional council of government or any other political subdivision of the State, may be deposited.

The accompanying financial statements present the financial position and results of operations solely of the Pool and do not include any other agencies or component units of the State of South Carolina or any other funds of the Treasurer's Office. The Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. There is no regulatory oversight of the Pool. For purposes of separate fund financial statements, the Pool is treated as an external investment pool.

**Basis of Accounting and Measurement Focus**

The Pool is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Fund applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements and has elected to apply only those standards issued by the Financial Accounting Standards Board ("FASB") on or before November 30, 1989 unless those pronouncements conflict or contradict GASB pronouncements.

**Pool Accounting**

The Pool accounts for assets held by a governmental unit in a trustee capacity as an agent for individuals, private organizations, other governmental units, or other funds. An external investment pool is used when an arrangement exists that commingles the monies of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. The Pool, which is an investment trust fund of the State of South Carolina, records participant unit issues and related interest income for which the resources are restricted for participant unit redemptions, distributions, and related interest expense.

**Cash and Cash Equivalents**

For purposes of the financial statements, the Pool considered all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Investments**

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are carried at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than forced liquidation. Fair value for all investment of the Pool is determined annually based upon quoted market prices.

Section 11-9-660 of the State of South Carolina Code of Laws authorizes the Treasurer's Office to invest and reinvest the monies of the Pool in the following types of investments:

1. Obligations of the United States, its agencies, and instrumentalities;
2. Obligations of the State of South Carolina or any of its political subdivisions;
3. Obligations of any corporation within the United States if such obligations bear investment grade ratings of at least two nationally recognized rating services;
4. Certificates of deposit where the certificates are collaterally insured by securities of the type described in 1 and 2 above, held by a third party as escrow agent or custodian, and are of a fair value not less than the amount of their certificates of deposit so secured, including interest; and
5. Repurchase agreements when collateralized by securities of the type described in 1 and 2 above and held by a third party as escrow agent or custodian, of a fair value not less than the amount of the repurchase agreement so collateralized, including interest.

**Investment Income**

Investment income consists of interest revenue and realized/unrealized gains and losses.

**Administrative Expenses**

Provisio 60.4 of the State's 2005-2006 Appropriations Act authorized the Treasurer's Office to charge a fee for the operations and management costs associated with the Pool. The Act further authorized the Treasurer's Office to retain and expend the fees to provide the services. The fees assessed may not exceed the costs of the provision of services.

**Participant Unit Issues, Redemptions, and Distributions**

The Treasurer's Office may sell participation units to all political subdivisions of the State. Funds may be deposited at any time and may be withdrawn upon 24 hours notice. At the option of the participant, such funds can be invested for a fixed period of time for a guaranteed rate of return. Both conditions, period and rate, are determined at the time of investment. Participant shares in the pool are dollar denominated, therefore the number of shared sold and redeemed is equal to the dollars withdrawn. Monthly investment income is distributed to participants in the form of additional units in the pool and is calculated on the accrual basis of accounting, including accrued interest and amortization of premium or discount. Unrealized gains and losses on investments are not distributed to participants until realized, however they are recognized in the financial statements in accordance with generally accepted accounting principle requirements for fair value accounting of investments.

Interest earnings are accrued daily based on participation units valued at \$1.00 and distributed to the participants at the end of each month. Interest accruals are computed first for those fixed rate participation units, with the balance distributed equitably among the other participant accounts.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2: CASH AND CASH EQUIVALENTS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS**

All cash and cash equivalents, investments, and securities lending transactions of the Pool are under the control of the Treasurer's Office who, by law, has sole authority for the investment of such funds.

The following schedule reconciles the amounts reported in the statement of net assets to the notes.

Statements		Notes	
Cash and cash equivalents	\$ 1,295,316,084	Deposits	\$ 145,284
Investments	674,345,991	Investments	1,969,516,791
Totals	<u>\$ 1,969,662,075</u>		<u>\$ 1,969,662,075</u>

**Securities Lending Transactions**

Through a custodial agent, the Pool participates in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Pool lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102 percent of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100 percent. There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2006, included U. S. Government securities, U. S. Government agencies, and corporate bonds. The contractual agreement with the Pool's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Pool income distribution by the securities' issuers while the securities are on loan. Cash and U. S. Government securities were received as collateral for these loans. The Pool cannot pledge or sell collateral securities without a borrower default. The Pool invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Pool must return the cash collateral to the borrower upon the expiration of the loan. All securities loaned can be terminated on demand by either the Pool or the borrower. At year end the average number of days the loans were outstanding was three days and the average weighted maturity of investments made with cash collateral was eighteen days. At June 30, 2006, there had been no losses resulting from borrower defaults and the Pool had no credit risk exposure to borrowers because the amounts the Pool owed the borrowers exceeded the amounts the borrowers owed the Pool.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pool's deposits may not be recovered. As prescribed by statute, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution or for any other cause. All deposits are required to be and were insured by the Federal Deposit Insurance Corporation up to \$100,000 or were fully collateralized with securities held by the State or its agent in the State Treasurer's name as custodian.

The Pool does not maintain any deposits denominated in a foreign currency.

**Investments**

Investments consists of the following as of June 30, 2006:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
<b><u>U.S. Government</u></b>			
U.S. Government Treasury Notes and Bonds	\$ 19,806,200	11/30/2006	2.875%
U. S. Government Agency	286,261,620	7/21/06 - 7/11/07	2.875% - 5.5%
<b><u>Corporate</u></b>			
Corporate Bonds	136,215,343	8/1/06 - 4/10/07	2.45% - 5.75%
Corporate Asset Backed	176,716,428	11/9/06 - 10/15/10	1.4% - 5.36%
<b><u>Short Term Investments</u></b>			
Commercial Paper	22,639,900	7/11/06 - 7/12/06	4.82% - 5.18%
U. S. Government Agency	40,359,300	7/31/06 - 12/4/06	3.95% - 4.85%
Repurchase Agreements	<u>1,287,518,000</u>	7/3/2006	5.27%
Total	<u>\$ 1,969,516,791</u>		

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Pool will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. At June 30, 2006, all of the Pools' investments were insured and registered.

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**NOTES TO FINANCIAL STATEMENTS  
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The following tables presents the fair value of investments as of June 30, 2006 as reported by the custodian of the assets. The amounts will not agree with the investments shown on the table on page 10 or 11 primarily because the amounts reported below include accrued interest receivable.

**Fixed Income**

**U.S. Government**

U.S. Government Treasury Notes and Bonds	\$ 19,854,952
U. S. Government Agency	289,865,632

**Corporate**

Corporate Bonds	137,921,791
Corporate Asset Backed	177,034,394

**Short Term Investments**

Commercial Paper	22,639,814
U. S. Government Agency	40,359,300
Repurchase Agreements	<u>1,288,083,435</u>

<b>Total Invested Assets</b>	<b><u><u>\$ 1,975,759,318</u></u></b>
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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using effective duration. Effective duration is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. It takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates. The Pool's investment policy requires that the weighted average maturity and weighted average duration of the actively managed fixed income portfolio should be consistent with SEC Rule 2a-7 guidelines for short term "2a-7 like" funds. The following schedule presents the Pool's interest rate risk.

	<u>Fair Value</u>	<u>Effective Duration</u>
<b><u>U.S. Government</u></b>		
U.S. Government Treasury Notes and Bonds	\$ 19,854,952	0.41
U. S. Government Agency	289,865,632	0.62
<b><u>Corporate</u></b>		
Corporate Bonds	137,921,791	0.42
Corporate Asset Backed	177,034,394	0.43
<b><u>Short Term Investments</u></b>		
Commercial Paper	22,639,814	0.03
U. S. Government Agency	40,359,300	0.29
Repurchase Agreements	<u>1,288,083,435</u>	<u>0</u>
<b>Total Invested Assets</b>	<b><u><u>\$ 1,975,759,318</u></u></b>	<b><u><u>0.17</u></u></b>

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**NOTES TO FINANCIAL STATEMENTS  
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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Pool. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least two nationally recognized rating services. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Credit risk ratings are not required for obligations of the U.S. government or those obligations explicitly guaranteed by the U.S. government. As of June 30, 2006, the Pool's rated debt investments were rated by Standard & Poor's and are as follows:

	Fair Value	Quality Ratings (amounts expressed in thousands)				
		AAA	AA	A	A-1	Not Rated
<b><u>U.S. Government</u></b>						
U.S. Government Treasury Notes and Bonds	\$ 19,854,952					
U. S. Government Agency	289,865,632	\$ 224,316				
<b><u>Corporate</u></b>						
Corporate Bonds	137,921,791	47,922		\$ 90,000		
Corporate Asset Backed	177,034,394	149,848			27,187	
<b><u>Short Term Investments</u></b>						
Commercial Paper	22,639,814				\$ 22,640	
U. S. Government Agency	40,359,300					
Repurchase Agreements	1,288,083,435				1,288,083	
<b>Total Invested Assets</b>	<b>\$ 1,975,759,318</b>	<b>\$ 422,086</b>	<b>\$ -</b>	<b>\$ 90,000</b>	<b>\$ 1,337,910</b>	<b>\$ -</b>

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pool's policy for reducing this risk states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more than 5% exposure to any single issuer." At June 30, 2006, the Pool had approximately 65% of its investments in an overnight repurchase agreement with Bank of America that was fully collateralized by United States Treasury and Agency obligations.

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2006, the Pool did not have any investments denominated in foreign currencies so this risk does not apply.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 3:      NET ASSETS RESTRICTED FOR POOL PARTICIPANTS**

Monies are accumulated to meet administrative expenses related to the management of the Pool and to cover losses resulting from fluctuations in the investment market. The administrative fee is set and reviewed quarterly by the Treasurer's Office and may be increased or decreased, as needed, to maintain this account at an amount of no more than 1% of the net assets held for participant accounts. These accounts are considered held on behalf of the participants but are not considered distributed to their accounts. Other undistributed amounts held on behalf of the participants include the differences between the fair value of the investment and the amortized cost of the investments.

Included in amounts restricted for pool participant accounts is \$145,000 for deposits received on June 30 that have not been allocated to individual pool participants' accounts. The Pool's policy is to allocate the deposits to the individual accounts when the funds are available for investment.

**NOTE 4:      RELATED PARTY TRANSACTIONS:**

The Pool reimbursed the State Treasurer's Office \$96,214 for various expenses including banking and investment functions.

The Pool provided no services to other state agencies during the fiscal year.

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2006**

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E02987	TOWN OF PROSPERITY	\$ 449,635
E03951	CITY OF SUMTER	1,089,445
E03977	TOWN OF WINNSBORO	641,571
E04967	CITY OF MYRTLE BEACH	9,242,726
E04983	CITY OF AIKEN	15,123,909
E05972	CITY OF NORTH CHARLESTON	53,434,618
E05980	CITY OF CAYCE	3,411
E06954	TOWN OF PELION	798,133
E06988	CITY OF CAYCE	7,857
E07952	CITY OF MYRTLE BEACH	367,029
E09982	CITY OF NORTH MYRTLE BEACH	6,853,754
E11970	CITY OF NORTH MYRTLE BEACH	4,438,531
E11988	CITY OF NORTH MYRTLE BEACH	4,380,689
E12960	TOWN OF EDGEFIELD	594,184
E13976	TOWN OF PELION	385,180
E14958	CITY OF GEORGETOWN	8,451,904
E14966	CITY OF LAKE CITY	263,302
E14974	TOWN OF SOUTH CONGAREE	44,110
E14982	TOWN OF PINE RIDGE	108,078
E15955	CITY OF SIMPSONVILLE	10,331
E15963	JACKSON PUBLIC WORKS COMMISSION	295,982
E15989	CITY OF SENECA	1,229,785
E16953	CITY OF SENECA	1,516,242
E16979	TOWN OF WINNSBORO	13,197
E17951	TOWN OF NORTH	38,020
E17969	RICHLAND SCHOOL DISTRICT TWO	236,922
E17985	GRAND STRAND WATER AND SEWER AUTHORITY	2,306,510
E18959	GRAND STRAND WATER AND SEWER AUTHORITY	13,760,309
E18975	CITY OF ISLE OF PALMS	1,649,975
E19965	CITY OF HANAHAN	2,413,929
E20955	CITY OF HANAHAN	1,104,584
E20963	AIKEN COUNTY TREASURER	57,689
E20971	LOWER SAVANNAH	11,392
E21987	TOWN OF WINNSBORO	120,832
E22969	CITY OF GREENVILLE	8,418,491
E24957	NEWBERRY COUNTY WATER AND SEWER AUTHORITY	154,241
E24965	NEWBERRY COUNTY WATER AND SEWER AUTHORITY	206,413
E24985	TOWN OF SULLIVAN'S ISLAND	353,085
E24991	TOWN OF SALUDA	207,265
E24992	CITY OF FLORENCE	51,724
E25013	DORCHESTER COUNTY SCHOOL DISTRICT FOUR	14,186,249
E25016	UPPER SAVANNAH	650,551
E25019	TOWN OF TRENTON	251,252
E25021	TOWN OF JOHNSTON	43,881
E25022	CITY OF ORANGEBURG	9,122,329
E25023	TOWN OF MCCORMICK	236,350
E25027	CITY OF BAMBERG	371,039
E25029	CITY OF BAMBERG	3,645,005
E25032	AIKEN COUNTY CONSOLIDATED SCHOOL	12,486,830

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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JUNE 30, 2006**

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25033	AIKEN COUNTY CONSOLIDATED SCHOOL	9,390,200
E25034	AIKEN COUNTY CONSOLIDATED SCHOOL	63,744
E25045	RICHLAND SCHOOL DISTRICT TWO	1,769,204
E25046	GOOSE CREEK RECREATION	232,601
E25048	ANDERSON SCHOOL DISTRICT TWO	4,406,369
E25049	ANDERSON SCHOOL DISTRICT TWO	8,169
E25050	SPARTANBURG SCHOOL DISTRICT SEVEN	13,753,068
E25053	SPARTANBURG SCHOOL DISTRICT SIX	2,662,949
E25056	DORCHESTER COUNTY TREASURER	12,024,754
E25059	DORCHESTER COUNTY TREASURER	1,333,745
E25061	DORCHESTER COUNTY TREASURER	966,082
E25064	DORCHESTER COUNTY TREASURER	57,258,095
E25069	CITY OF ISLE OF PALMS	1,646,030
E25071	CITY OF NEWBERRY	935,616
E25072	CITY OF NEWBERRY	364,286
E25077	UNION COUNTY SCHOOLS	4,591,293
E25078	TOWN OF JOHNSTON	1,580
E25086	CITY OF ABBEVILLE	2,524
E25087	CITY OF ABBEVILLE	349,562
E25090	UPPER SAVANNAH COG	80,292
E25096	DARLINGTON COUNTY TREASURER	42,993,304
E25099	OCONEE COUNTY SCHOOL DISTRICT	12,429,909
E25102	OCONEE COUNTY SCHOOL DISTRICT	1,022,184
E25104	UNION COUNTY SCHOOLS	53,700
E25105	CHARLESTON COUNTY SCHOOL DISTRICT	117,781
E25107	CITY OF BISHOPVILLE	785,731
E25109	CITY OF BISHOPVILLE	1,664,957
E25110	GREENVILLE WATER SYSTEM	27,387,357
E25111	GREENVILLE WATER SYSTEM	9,320,527
E25112	TOWN OF RIDGE SPRING	11,214
E25113	GREENVILLE WATER SYSTEM	1,123,819
E25117	CHARLESTON COUNTY SCHOOL DISTRICT	16,546,605
E25118	TOWN OF RIDGE SPRING	4,056
E25120	TOWN OF SALUDA FIRE	55,962
E25122	CITY OF NORTH AUGUSTA	172,433
E25123	CITY OF NORTH AUGUSTA	607,855
E25129	TOWN OF WALHALLA	128,136
E25135	TOWN OF RIDGE SPRING	12,665
E25136	CHARLESTON COUNTY TREASURER	8,100,447
E25139	CATAWBA REG. PLANNING COUNCIL OF GOVERNMENTS	389,466
E25142	FAIRFIELD COUNTY TREASURER	5,996,904
E25146	CITY OF SUMTER	1,056,722
E25150	CITY OF CONWAY	3,182,173
E25157	CITY OF CONWAY	97,950
E25159	CITY OF CONWAY	89,859
E25163	NEWBERRY COUNTY TREASURER	575,129
E25165	NEWBERRY COUNTY TREASURER	120,708
E25166	NEWBERRY COUNTY TREASURER	3,153,908
E25168	CITY OF ROCK HILL	10,528,172

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25173	TOWN OF EDGEFIELD	406,424
E25174	SPARTANBURG SCHOOL DISTRICT FOUR	3,330,484
E25175	SPARTANBURG SCHOOL DISTRICT FOUR	3,495
E25178	DORCHESTER SCHOOL DISTRICT TWO	16,307,482
E25179	DORCHESTER SCHOOL DISTRICT TWO	689,489
E25182	MOUNT PLEASANT WATERWORK & SEWER COMMISSION	12,963,347
E25184	TOWN OF SUMMERVILLE	11,053,106
E25185	TOWN OF RIDGE SPRING	28,748
E25186	CITY OF CHESTER	1,066,499
E25187	CITY OF CHESTER	151,360
E25190	CITY OF CHESTER	54,163
E25194	CITY OF LANCASTER	4,099,376
E25205	CENTRAL MIDLANDS	11,312
E25209	CITY OF FLORENCE	78,345
E25211	CITY OF FLORENCE	6,790
E25213	CITY OF FLORENCE	29,870
E25214	CITY OF FLORENCE	229,636
E25215	CITY OF FLORENCE	60,041
E25217	CITY OF FLORENCE	141,655
E25229	LEXINGTON COUNTY SCHOOL DISTRICT #5	20,191,975
E25233	TOWN OF WOODRUFF	1,023,715
E25239	MOUNT PLEASANT WATERWORK & SEWER COMMISSION	2,780,593
E25240	MOUNT PLEASANT WATERWORK & SEWER COMMISSION	6,562,530
E25241	CHARLESTON COUNTY SCHOOL DISTRICT	151,916
E25245	SPARTANBURG SCHOOL DISTRICT FOUR	4,988,678
E25249	TOWN OF PELION	18,092
E25250	TOWN OF PELION	204,339
E25255	TOWN OF RICHBURG	98,163
E25259	TOWN OF WINNSBORO	1,136,465
E25261	S.C. APPALACHIAN	575,147
E25264	TOWN OF WINNSBORO	542,264
E25265	CITY OF CHARLESTON HOUSING AUTHORITY	983,513
E25267	CITY OF CHARLESTON HOUSING AUTHORITY	472,044
E25272	AIKEN COUNTY TREASURER	3,623
E25277	LEXINGTON COUNTY SCHOOL DISTRICT #5	22,747
E25283	SUMTER COUNTY COUNCIL	3,945,037
E25306	TOWN OF LEXINGTON	15,605,167
E25307	CHESTERFIELD COUNTY SCHOOL DISTRICT	5,514,171
E25313	CITY OF SUMTER	5,442
E25326	TOWN OF WINNSBORO	1,160,444
E25329	SPARTANBURG WATER SYSTEM	421,170
E25330	SPARTANBURG WATER SYSTEM	270,003
E25335	CITY OF CLEMSON	911,792
E25343	TOWN OF JACKSON	4,071
E25346	RICHLAND COUNTY	55,843,292
E25349	TOWN OF JACKSON	349,923
E25360	JACKSON PUBLIC WORKS COMMISSION	289,790
E25362	CITY OF FOREST ACRES	2,070,864
E25366	CITY OF FLORENCE	1,623

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25369	UPPER SAVANNAH COUNCIL OF GOVERNMENTS	331,703
E25370	TOWN OF SUMMERVILLE	183,526
E25377	TOWN OF IRMO	559,809
E25378	TOWN OF IRMO	3,233,604
E25379	NEWBERRY COUNTY TREASURER	461,937
E25382	CATAWBA REG. PLANNING COUNCIL OF GOVERNMENTS	628,104
E25387	TOWN OF BLYTHEWOOD	249,681
E25391	TOWN OF WINNSBORO	615,122
E25395	CITY OF ORANGEBURG	169,103
E25407	GREENVILLE COUNTY TREASURER	44,840,072
E25408	PARKER SEWER & FIRE SUBDISTRICT	2,604,833
E25413	TOWN OF IRMO	59,727
E25414	LOWCOUNTRY COUNCIL OF GOVERNMENTS	227,495
E25420	CITY OF CHESTER	25,757
E25421	NEWBERRY COUNTY WATER & SEWER AUTHORITY	214,542
E25431	FLORENCE SCHOOL DISTRICT #3	5,436,639
E25434	CITY OF CHESTER	30,572
E25436	LOWCOUNTRY COUNCIL OF GOVERNMENTS	261,026
E25438	TOWN OF SULLIVAN'S ISLAND	32,238
E25440	YORK COUNTY TREASURER	189,073,801
E25443	OCONEE COUNTY SCHOOL DISTRICT	287,975
E25451	CITY OF ABBEVILLE	16,347
E25454	COMM OF PUB WKS OF CITY OF ISLE OF PALMS	458,098
E25455	CITY OF UNION	202,283
E25460	CITY OF TEGA CAY	26,828
E25463	LEXINGTON COUNTY SCHOOL DISTRICT #4	4,326,522
E25464	CITY OF GREENWOOD	756,547
E25466	TOWN OF SULLIVAN'S ISLAND	17,026
E25471	UNION COUNTY TREASURER	1,069,327
E25474	UNION COUNTY TREASURER	352,950
E25475	UNION COUNTY TREASURER	89,556
E25483	CLARENDON COUNTY SCHOOL DISTRICT #3	314,106
E25484	SPARTANBURG SCHOOL DISTRICT #3	2,852
E25487	METROPOLITAN SEWER SUBDISTRICT	821,372
E25490	TOWN OF SOUTH CONGAREE	5,714
E25491	TOWN OF SOUTH CONGAREE	10,306
E25493	TOWN OF EDGEFIELD	65,055
E25494	TOWN OF EDGEFIELD	255,703
E25495	TOWN OF EDGEFIELD	236,836
E25501	TOWN OF SEABROOK ISLAND	982,715
E25502	SPARTANBURG SANITARY SEWER DISTRICT	4,072,670
E25508	ORANGEBURG COUNTY SCHOOL DISTRICT #4	1,834,364
E25509	CITY OF ABBEVILLE	2,814
E25515	CITY OF SPARTANBURG	132,599
E25520	CITY OF ABBEVILLE	41,407
E25521	ST. ANDREWS PUBLIC SERVICE DISTRICT	2,089,473
E25529	TOWN OF WINNSBORO	402,719
E25530	TOWN OF WINNSBORO	172,099
E25532	CHESTER METROPOLITAN DISTRICT	1,421,290

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25533	CHESTER SEWER DISTRICT	1,141,569
E25536	KERSHAW COUNTY MEDICAL CENTER	8,502,444
E25539	GREENWOOD COUNTY TREASURER	19,903
E25545	MT. PLEASANT WATER & SEWER COMMISSION	2,102
E25546	MT. PLEASANT WATER & SEWER COMMISSION	1,449,430
E25548	MT. PLEASANT WATER & SEWER	231,610
E25555	CLARENDON COUNTY TREASURER	32,476
E25556	CITY OF LANCASTER	1,038,554
E25558	LEXINGTON COUNTY SCHOOL DISTRICT #2	7,147,134
E25559	OCONEE COUNTY SCHOOL DISTRICT	4,311,976
E25562	LEXINGTON COUNTY TREASURER	25,923,535
E25565	LEXINGTON COUNTY SCHOOL DISTRICT #1	4,265,171
E25566	COMM OF PUB WKS OF CITY OF ISLE OF PALMS	194,712
E25569	SCHOOL DISTRICT OF GREENVILLE COUNTY	90,642,477
E25570	LEXINGTON COUNTY SCHOOL DISTRICT #3	3,024,071
E25574	TOWN OF SULLIVAN'S ISLAND	2,667
E25575	CHARLESTON COUNTY TREASURER	15,600,229
E25581	BERKELEY CHARLESTON DORCHESTER COG	774,142
E25582	BERKELEY CHARLESTON DORCHESTER COG	940,445
E25584	CITY OF GREENWOOD	1,479,055
E25585	CITY OF GREENWOOD	134,884
E25591	MT. PLEASANT WATER & SEWER COMMISSION	3,759
E25594	ANDERSON COUNTY	899,423
E25595	McCORMICK COMMISSIONERS OF PUBLIC WORKS	295,604
E25597	McCORMICK COMMISSIONERS OF PUBLIC WORKS	28,890
E25600	MOUNT PLEASANT WATERWORKS & SEWER	1,665
E25602	CITY OF BEAUFORT	1,214,010
E25605	TOWN OF JOHNSTON	36,869
E25607	YORK COUNTY TREASURER	11,273,512
E25610	BEAUFORT COUNTY TREASURER	6,787,273
E25613	LEXINGTON COUNTY TREASURER	259,574
E25614	LEXINGTON COUNTY TREASURER	3,401,615
E25617	LEXINGTON COUNTY TREASURER	11,087,295
E25619	CITY OF NORTH AUGUSTA	724,091
E25620	CITY OF NORTH AUGUSTA	2,862,077
E25622	TOWN OF SULLIVAN'S ISLAND	149,531
E25623	FAIRFIELD COUNTY TREASURER	1,764,512
E25624	FAIRFIELD COUNTY TREASURER	243,389
E25630	TOWN OF CLOVER	279,434
E25631	TOWN OF CLOVER	14,173
E25632	TOWN OF CLOVER	48,412
E25633	TOWN OF CLOVER	28,461
E25635	TOWN OF CLOVER	16,426
E25636	TOWN OF CLOVER	24,759
E25638	TOWN OF SPRINGDALE	2,721
E25639	TOWN OF RIDGE SPRING	14,785
E25640	NEWBERRY COUNTY TREASURER	3,233,187
E25641	NEWBERRY COUNTY TREASURER	6,577,478
E25643	FAIRFIELD COUNTY TREASURER	8,651

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25647	SUMTER COUNTY COUNCIL	547,423
E25650	CITY OF ISLE OF PALMS	143,231
E25651	SEABROOK ISLAND WATER & SEWER COMMISSION	3,371,915
E25654	UNION COUNTY TREASURER	308,317
E25659	SUMTER COUNTY COUNCIL	218,531
E25661	LEXINGTON COUNTY SCHOOL DISTRICT #5	1,873
E25664	EDGEFIELD COUNTY SCHOOL DISTRICT	5,094,345
E25666	ST. PAUL'S FIRE DISTRICT	311,524
E25667	MYRTLE BEACH AIR FORCE BASE REDEVELOPMENT AUTHORITY	4,380,545
E25668	CITY OF GREENWOOD	42,418
E25669	CITY OF CAMDEN	510,359
E25670	TOWN OF CLOVER	145,507
E25674	LEXINGTON COUNTY SCHOOL DISTRICT #4	5,529
E25676	CITY OF HANAHAN	434,969
E25681	CHESTER METROPOLITAN DISTRICT	3,544
E25682	CITY OF HANAHAN	1,409,799
E25684	TOWN OF CORDOVA	121,430
E25788	TOWN OF TRENTON	19,693
E25789	TOWN OF TRENTON	10,963
E25790	LANCASTER COUNTY SCHOOL DISTRICT	14,896,220
E25793	CLARENDON COUNTY TREASURER	119,111
E25796	CITY OF UNION	20,089
E25797	DSFR-CITY OF BAMBERG	73,682
E25798	CITY OF GEORGETOWN	4,210,569
E25799	CITY OF GEORGETOWN	2,024,540
E25800	DSFR-CITY OF GOOSE CREEK	79,310
E25803	TOWN OF JOHNSTON	42,840
E25806	TOWN OF EDISTO BEACH	794,939
E25807	TOWN OF EDISTO BEACH	300,728
E25808	TOWN OF EDISTO BEACH	252,736
E25809	TOWN OF EDISTO BEACH	81,613
E25810	TOWN OF EDISTO BEACH	678,374
E25811	TOWN OF EDISTO BEACH	10,748
E25813	CITY OF CLINTON	5,194
E25814	EDGEFIELD COUNTY TREASURER	6,627,941
E25816	SPARTANBURG SCHOOL DISTRICT #4	444,203
E25817	CITY OF YORK	12,096
E25818	CITY OF YORK	8,678
E25819	CITY OF LANCASTER	208,019
E25820	CITY OF LANCASTER	208,019
E25822	CITY OF BAMBERG	40,925
E25826	TOWN OF PROSPERITY	25,274
E25828	DSRF-PIONEER RURAL WATER DISTRICT	103,545
E25829	SUMTER SCHOOL DISTRICT 17	7,499,730
E25830	SUMTER SCHOOL DISTRICT 17	56,527
E25831	SUMTER SCHOOL DISTRICT 17	2,210,374
E25832	TOWN OF SURFSIDE BEACH	2,754,660
E25833	TOWN OF SURFSIDE BEACH	262,120
E25834	TOWN OF SURFSIDE BEACH	881,717

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25838	SUMTER COUNTY COUNCIL	1,220,226
E25840	CITY OF CAMDEN	604,720
E25841	TOWN OF JOHNSTON	1,731
E25842	TOWN OF JOHNSTON	6,611
E25843	CITY OF ISLE OF PALMS	1,100,460
E25844	RICHLAND SCHOOL DISTRICT #2	24,020,786
E25845	EDGEFIELD COUNTY SCHOOL DISTRICT	550,608
E25848	RICHLAND SCHOOL DISTRICT TWO	41,374,681
E25851	CITY OF CLINTON	817,722
E25853	DSFR-CHESTER SEWER DISTRICT	83,909
E25854	TOWN OF SURFSIDE BEACH	724,528
E25857	WADE HAMPTON	975,840
E25861	R.D. ANDERSON APPLIED TECHNOLOGY CENTER	901,118
E25862	FLORENCE COUNTY TREASURER	130,033
E25863	CITY OF LANCASTER	431,636
E25864	CITY OF LANCASTER	480,791
E25865	FLORENCE COUNTY SCHOOL DISTRICT #2	680,496
E25866	FLORENCE COUNTY SCHOOL DISTRICT #4	511,868
E25867	FLORENCE COUNTY SCHOOL DISTRICT #5	2,561,997
E25869	FLORENCE COUNTY SCHOOL DISTRICT #1	33,005,287
E25870	CLARENDON COUNTY TREASURER	437,850
E25871	RICHLAND COUNTY TREASURER	51,818,095
E25872	TOWN OF ARCADIA LAKES	256,197
E25874	SPARTANBURG SCHOOL DISTRICT #3	2,822
E25875	TOWN OF EDISTO BEACH	271,649
E25877	LAURENS COUNTY TREASURER	3,244,138
E25878	CITY OF GEORGETOWN	27,547
E25881	CITY OF GREENWOOD	67,466
E25883	TOWN OF EDISTO BEACH	374,619
E25889	WESTERN PIEDMONT	158,909
E25891	Clarendon County Treasurer	669,866
E25892	SPARTANBURG COUNTY S/D 4	3,634
E25893	SUMTER COUNTY COUNCIL	2,751
E25897	YORK COUNTY TREASURER	3,428,030
E25898	CITY OF SUMTER	60,728
E25899	TOWN OF SURFSIDE BEACH	621,546
E25902	TOWN OF CLOVER	4,843
E25915	DILLON COUNTY BOARD OF EDUCATION	641,679
E25918	CITY OF CLINTON	10,339
E25919	CITY OF WESTMINSTER	265,289
E25921	TAYLORS FIRE & SEWER DISTRICT	679,205
E25925	DSRF-CITY OF SPARTANBURG	74,895
E25926	FORT MILL SCHOOL DISTRICT 4	669,576
E25927	CHESTER COUNTY TREASURER	3,539,338
E25928	CHESTER COUNTY TREASURER	3,573
E25929	CHESTER COUNTY TREASURER	1,332,964
E25936	DSRF - TOWN OF LATTA	29,605
E25937	YORK COUNTY SCHOOL DISTRICT 1	10,436,328
E25939	CITY OF GREENWOOD	399,635

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ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E25941	SCHOOL DISTRICT OF GREENVILLE COUNTY	59,840,497
E25942	CHESTER COUNTY TREASURER	1,792,418
E25946	ROCK HILL S/D 3 OF YORK COUNTY	11,562,783
E25947	CITY OF NORTH AUGUSTA	829,148
E25948	CITY OF NORTH AUGUSTA	1,693,301
E25951	MYRTLE BEACH AIR FORCE REDEVELOPMENT AUTHORITY	823,175
E25952	DSRF - CITY OF BELTON	23,408
E25953	MT. PLEASANT WATERWORKS	571,501
E25954	CHARLESTON CO. SCHOOL DISTRICT	254,564
E25958	GREENWOOD COUNTY TREASURER	378,111
E25962	PIONEER RURAL WATER DISTRICT	216,663
E25963	PIONEER RURAL WATER DISTRICT	170,716
E25964	PIONEER RURAL WATER DISTRICT	67,311
E25965	PIONEER RURAL WATER DISTRICT	171,078
E25966	YORK COUNTY TREASURER	8,327,381
E25968	TOWN OF PORT ROYAL	309,638
E25970	BAMBERG SCHOOL DISTRICT ONE	118,325
E25971	LANCASTER CO. NATURAL GAS AUTHORITY	2,238,789
E25972	LANCASTER CO. NATURAL GAS AUTHORITY	1,856,664
E25973	CITY OF SUMTER	136,864
E25976	TOWN OF SALUDA	2,144
E25979	CITY OF MAULDIN	847,930
E25981	TOWN OF SULLIVAN'S ISLAND	119,240
E25983	TOWN OF KIAWAH ISLAND	57,032
E25984	TOWN OF KIAWAH ISLAND	577,103
E25985	TOWN OF KIAWAH ISLAND	168,068
E25989	TOWN OF KIAWAH ISLAND	196,337
E25990	FAIRFIELD COUNTY TREASURER	115,904
E25991	TAYLORS FIRE AND SEWER DISTRICT	490,752
E25993	SUMTER SCHOOL DISTRICT 17	473,349
E25996	LANCASTER COUNTY TREASURER	44,488
E25997	LEXINGTON COUNTY S/D 5	288,777
E25999	DSRF-BELTON-HONEA PATH	31,202
E26002	CHARLESTON COUNTY TREASURER	4,505,461
E26003	LANCASTER COUNTY NATURAL GAS AUTHORITY	108,874
E26004	DSRF - TOWN OF JACKSON	73,628
E26009	SPARTANBURG CO. SCHOOL DISTRICT FOUR	34,878
E26010	DSRF - CITY OF TRAVELERS REST	16,243
E26014	CHESTERFIELD COUNTY SCHOOL DISTRICT	2,974,857
E26016	TOWN OF LEXINGTON	490,924
E26024	CHESTER COUNTY SCHOOL DISTRICT	1,624,446
E26025	CITY OF ISLE OF PALMS	258,363
E26026	CITY OF SPARTANBURG	78,043
E26028	GREENVILLE COUNTY SCHOOL DISTRICT	4,246,930
E26030	GREENVILLE WATER SYSTEM	1,293,254
E26031	LAKE MARION REGIONAL WATER AGENCY	4,978,116
E26032	ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE	17,913,828
E26034	CLOVER SCHOOL DISTRICT TWO	10,843,267
E26036	TOWN OF DUNCAN	217,253

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL**

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2006**

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E26038	GREENVILLE HOSPITAL SYSTEM	26,193,815
E26042	CITY OF MYRTLE BEACH	328,775
E26043	CHESTER COUNTY SCHOOL DISTRICT	30,906
E26045	RICHLAND COUNTY TREASURER	7,448,507
E26046	CITY OF NORTH AUGUSTA	4,547,924
E26047	CITY OF NORTH AUGUSTA	2,964,513
E26048	CITY OF NORTH AUGUSTA	630,851
E26050	MT. PLEASANT WATERWORKS	1,170,156
E26051	RIVERBANKS PARK COMMISISON	473,438
E26059	ORANGEBURG COUNTY SCHOOL DISTRICT THREE	9,534,206
E26062	SUMTER COUNTY SCHOOL DISTRICT TWO	10,266,647
E26064	UPPER SAVANNAH COUNCIL GOVERNMENTS	748,519
E26065	YORK COUNTY TREASURER	10,773,807
E26071	ST. ANDREWS PUBLIC SERVICE DISTRICT COMMISSION	1,109,056
E26073	GREENVILLE COUNTY SCHOOL DISTRICT BEST 2002 SE	55,291,616
E26074	BEAUFORT COUNTY TREASURER	234,532
E26075	GREENVILLE WATER SYSTEM	1,113,804
E26080	YORK SCHOOL DISTRICT #1	55,294
E26081	CITY OF MAULDIN	5,463,780
E26082	CHESTER COUNTY SCHOOL DISTRICT	366,522
E26083	CHESTER COUNTY SCHOOL DISTRICT	5,134,886
E26085	RIVERBANKS ZOO & GARDEN	79,737
E26086	GREENVILLE COUNTY SCHOOL DISTRICT	44,810,444
E26087	LEXINGTON CO. JOINT MUNI. WATER & SERWER COMM.	1,022
E26088	LEXINGTON CO. JOINT MUNI. WATER & SEWER COMM.	1,053
E26090	LEXINGTON CO. JOINT MUNI. WATER & SEWER COMM.	1,407,385
E26091	TOWN OF MCCORMICK	215,587
E26092	TOWN OF MCCORMICK	215,587
E26093	TOWN OF MCCORMICK	53,897
E26094	TOWN OF MCCORMICK	133,243
E26097	CITY OF GREENVILLE	1,301,975
E26100	CITY OF ISLE OF PALMS	257,228
E26101	CITY OF GEORGETOWN	2,094,457
E26102	TOWN OF BLYTHEWOOD	561,464
E26103	TOWN OF BLYTHEWOOD	59,491
E26104	TOWN OF BLYTHEWOOD	494,436
E26108	CITY OF SUMTER	248,217
E26109	CITY OF HANAHAN	319,057
E26110	GREENVILLE CO. SCHOOL DISTRICT	10,728,682
E26112	CITY OF WOODRUFF	25,036
E26120	CITY OF NORTH CHARLESTON	1,747,632
E26121	LEXINGTON COUNTY TREASURER	3,203,496
E26123	CITY OF NORTH CHARLESTON	10,912,549
E26124	FAIRFIELD COUNTY TREASURER	2,763,262
E26126	CHARLESTON CO. SCHOOL DISTRICT	38,967
E26128	CITY OF FOUNTAIN INN	456,474
E26129	CITY OF FOUNTAIN INN	146,536
E26130	TOWN OF SURFSIDE BEACH	843,840
E26131	LANCASTER COUNTY	270,989

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL**

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2006**

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E26132	GREENVILLE HOSITAL SYSTEM	275,180
E26134	LEXINGTON COUNTY TREASURER	87,034
E26137	MUNCIPAL ASSOCIATION OF SC	3,205
E26138	MUNCIPAL ASSOCIATION OF SC	3,119
E26139	MUNCIPAL ASSOCIATION OF SC	4,452
E26140	CITY OF BENNETTSVILLE	50,337
E26141	CITY OF BENNETTSVILLE	74,665
E26142	CITY OF ISLE OF PALMS	1,106,563
E26143	CITY OF GEORGETOWN	770,103
E26144	YORK COUNTY TREASURER	361,803
E26145	ST. JOHN'S FIRE DISTRICT	1,472,714
E26146	CATAWBA REGIONAL PLANNING COUNCIL OF GOVERNMENT	42,353
E26147	LEXINGTON COUNTY HEALTH SERVICES DISTRICT INC	1,059,438
E26149	CITY OF ABBEVILLE	2,142
E26152	GREENVILLE COUNTY SCHOOL DISTRICT	3,133,132
E26153	CHARLESTON COUNTY S/D	229,139
E26154	CITY OF FOREST ACRES	329,019
E26156	GREENVILLE COUNTY SCHOOLS	299,515
E26158	CITY OF MYRTLE BEACH	634,401
E26159	CITY OF NEW ELLENTON	451,211
E26160	YORK COUNTY TREASURER	36,006,205
E26161	TOWN OF LOWRYS	104,836
E26163	CITY OF MYRTLE BEACH	375,128
E26164	GREENVILLE WATER SYSTEM	2,562,577
E26165	DARLINGTON COUNTY SCHOOL DISTRICT	3,138,162
E26166	LAURENS COUNTY WATER & SEWER	656,457
E26167	GOOSE CREEK RECREATION	263,152
E26168	CITY OF ROCK HILL	2,727,237
E26169	CITY OF ROCK HILL	653,776
E26170	TOWN OF TRENTON	1,493
E26172	TOWN OF LYMAN	292,504
E26173	TOWN OF LYMAN	823,103
E26174	OLDE ENGLISH CONSORTIUM	58,098
E26179	YORK COUNTY TREASURER	11,297,683
E26182	CITY OF NORTH AUGUSTA	1,454,239
E26183	CITY OF NORTH AUGUSTA	626,398
E26184	SUMTER COUNTY COUNCIL	3,709,043
E26185	NEWBERRY COUNTY TREASURER	188,445
E26187	LEXINGTON COUNTY TREASURER	1,613,430
E26188	SUMTER COUNTY COUNCIL	1,878,237
E26190	CITY OF SUMTER	606,570
E26192	CITY OF HANAHAN	997,450
E26193	NEWBERRY COUNTY TREASURER	2,020,786
E26194	SPARTANBURG SANITARY SEWER DISTRICT	10,375,548
E26195	CHARLESTON COUNTY SCHOOL DISTRICT	4,736,801
E26196	CITY OF ABBEVILLE	59,185
E26198	CITY OF SPARTANBURG	426,388
E26199	LEXINGTON COUNTY S/D #1	51,366,089
E26200	GREENWOOD COUNTY TREASURER	7,281,099

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL**

**SCHEDULE OF NET ASSETS IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2006**

ACCOUNT NUMBER	ACCOUNT NAME	BALANCE
E26203	CITY OF SUMTER	1,490,046
E26204	CHESTER COUNTY TREASURER	103,856
E26205	ELEVENTH CIRCUIT SOLICITOR	74,995
E26206	CITY OF AIKEN	5,243,217
E26207	GREENVILLE COUNTY SCHOOLS	1,248,492
E26208	GREENWOOD COUNTY TREASURER	463,687
E26209	TOWN OF ROCKVILLE COUNCIL	112,655
E26210	YORK CO. TREASURER (FIXED RATE)	17,147,234
E26211	DORCHESTER COUNTY TREASURER	6,433,286
E26212	MOUNT PLEASANT WATERWORKS	8,445,423
E26213	MOUNT PLEASANT WATERWORKS	12,195,785
E26214	CITY OF CONWAY	1,527,926
E26215	GREENVILLE CO SCHOOLS	4,796,762
E26216	GREENVILLE CO SCHOOLS	5,009,874
E26217	GREENVILLE CO SCHOOLS	136,633
E26218	CITY OF CONWAY	1,521,315
E26220	NEWBERRY COUNTY TREASURER	176,829
E26221	SUMTER COUNTY S/D #2	1,060,726
E26222	NEWBERRY COUNTY TREASURER	529,314
E26223	TOWN OF WINNSBORO	162,805
E26224	CITY OF CLINTON	13,124
E26226	DORCHESTER COUNTY TREASURER	5,312,263
E26227	NEWBERRY COUNTY TREASURER	655,497
E26228	TOWN OF WINNSBORO	90,463
E26229	CITY OF MYRTLE BEACH	1,156,567
E26230	CITY OF MYRTLE BEACH	2,717,480
E26231	CITY OF MYRTLE BEACH	275,844
E26232	CITY OF MYRTLE BEACH	32,182
E26233	NEWBERRY COUNTY TREASURER	80,401
	UNALLOCATED	145,000
	TOTAL	<u>\$ 1,964,615,714</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Mr. Richard H. Gilbert, Jr., CPA,  
Deputy State Auditor  
State of South Carolina  
Columbia, South Carolina

We have audited the financial statements of South Carolina Local Government Investment Pool (the Pool) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Pool's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

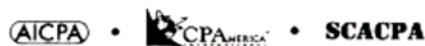
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pool's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the State Auditor, Pool participants and management of the Pool and is not intended to be and should not be used by anyone other than these specified parties.

*Rogers & Laban, PA*

August 21, 2006



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**SOUTH CAROLINA STATE TREASURER'S OFFICE  
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL**

**STATUS OF PRIOR YEAR FINDINGS  
JUNE 30, 2006**

Our report for the year ended June 30, 2005 dated September 22, 2005 reported a finding that the Pool needed improvements in financial statement reporting. This condition was corrected during the year ended June 30, 2006.